Preserve

G. R. S. IX-5]

*Previous references.*

Genl 106-18(1-4)

1028/19.

( Genl( )

File No. 106/18

Serial Nos. 5—6

*Later references.*

Genl 99-30-1

99-30-(2-15)

(24)

# GENERAL AND REVENUE SECRETARIAT

*Serial Nos.*

**Part B for** June 1921

---

SUBJECT.

Calculation of royalty due by
Li Gold Mining Companies

---

Leg) To The Comptroller
& Director of Accounts & Genl
& do — Deptt of Genl
No G/1954/1-3 Dy 16.4.21
Cancells all & of records
the correspondence on the
subject

Org

WD 2283—GPB—20,000—14-6-20

G. R. S. III—17] 1918-19 6814 (1

GENERAL AND REVENUE SECRETARIAT.

( Geol )

NOTES

File No. 106-G.

FILE HEADING.

Calculation of royalty due by the Ajord Mining Companies

From

The Director, Dept of Geology

No. 0?? Dated 12-12-20 Received 14-12-20

| Diary No. | Enclos. 1 Spare Copies. | Serial No. 5 |
|---|---|---|

BRIEF ABSTRACT OF LETTER.

States that letters going Nagles & Ors who were addressed in connection with paragraph 2 of G.O. of 20-7-20 have sent a reply to the effect that the leases of the mining companies & also the memorandum of agreement of 21-12-1901 are most explicit in regard to lessee Companies liability to pay royalty to Govt & that the matter might be finally settled with Mr. Aitken May or two when visit the K.Cy. 7 in January 1921.

NOTES AND ORDERS.

Submitted with references for orders.

7

AAS. 15-12-20. 2 Please get a copy of the Lease and also the Memorandum of Agreement of 21st December 1901 referred to in the D.U.D.

3 Submitted into a draft to the Director of Geology. 16/12/20.

AAS. 16-12-20

4 Issue

16/12/20

NOTES—First Sheet.

7158
6814

G. R. S. III-2]

General and Revenue Secretariat.

File No. 106 of 1920-21

Serial No.

6 To The Director dept of Geol
G. 12031 dt 18-12-20.
Requests that certain files re the levy of royalty on gold may be forwarded for reference

7 From the same office
No 1082 dt 22-12-20
Forwards the files referred to in Sl no 6.
Submitted with reference to paragraph 2 above. Kind attention is invited to Flags 7 and

AHS 27-12-20 Dy

6 The matter may, if approved, be discussed with Mr. Arthur Taylor when he visits the Kolar Gold Field in January.

7 In the meanwhile, the opinion of the Govt Advocate may also be obtained in the matter.

Dcs 28/12/20.

Chief Secy.) 8 For perusal of 1st member.

3/1/21

9 c/c 2 1.1.

CMS 30/12

10 Forwarded, with compliments, to the Government Advocate in Mysore for favour of opinion.

By Order,
Dc Subbarayappa,
For Chief Secy. to Govt

3/1/21.

G.O. No. 39-20/geol dt. 4-1-1921

NOTE—Contn. sheet.

G. R. S. III-2]

7158

General and Revenue Secretariat.

Govt File No. 106 of 1918-19

Serial No.

It seems to me that the point is fairly clear. Govt will be entitled to 2½ per cent. of the dividends as & when declared, if during the currency of the mining leases, & in the dividends so declared, profits earned in other Concerns, started within or outside the State with Capital furnished by the K.G.F. Mining Companies are included. If they are not included in the dividends made payable to the shareholders of the parent Concern Govt will not be entitled to 2½ per cent on such profits. In my opinion the point does not admit of much doubt. & I am not sure if further discussion will lead to anything substantially useful

S Doraiswamy Iyer
8.1.21

12 Submitted for perusal.

11-1-21 (1st Member) 11/1/21.

13 Seen

14 May be submitted when 4th member is back on his return from leave.

15 I accord very few. Opinion of the Govt Pleader may be called for.

Note—Contn. sheet.

- Jesus

General and Revenue Secretariat. | File No. 106 of 1918-19

Serial No.

16 As observed by ~~the~~ messrs John Taylor & Sons the enquiry is only of hypothetical interest and I think no object will be gained by pursuing it further.

17 Dr. Smeeth Contends that 2½ p.c. of the profits diverted for acquiring ~~for~~ some outside interest belongs to us and that accordingly we would lose the income from it if we get no Compensation when the leases terminate. This is exactly my Contention also and what belongs to us is not only 2½ p.c. of profits used for acquiring some outside interest but also 2½ p.c. of profits diverted for Capital purposes of the mines themselves. When the leases terminate we would lose our share of the interest built out of Capitalised profits also. However it has been held that my Contention can not stand.

~~The question~~ mll 28-1-21

Ch secy)

Submitted for orders.

1st Member) 31-1-21 (18) Mem recorded

Secy 31/1/21 Decision of Govt was. Mere replies should have been made clear to the agreement & my Contention that

305/31/1

NOTE—Contn. sheet.

715 8

G. R. S. III-2]

General and Revenue Secretariat. | GoC File No. 106 of 1918 19

Serial No.

DRAWING OFFICE.
FEB 1 1921
5110

Revised memorandum to be accepted

1.2.21

19 January

1/2/21

20 Yrs. I agree with the remarks but the Govt should have been more clear at the time the Agreement was drawn up. It is a big it was not done

2.2.21

3/2

21 Draft please

4/2/21.

Put up clean copy as revised.

10/2/21

Submitted with a draft for approval

10-2-21. (1st Member)

10/2/21

1/2

1/2

Issue

12/2

To

The Commissioner to Govt
" Director, Department of Geology, mines and Geology
" Director, Department of Geology

Govt. memo No 16077-9 dt 16-2-1921

Directs that for reasons stated the question of the additional levy of royalty proposed need not be pursued further

NOTE—Contn. sheet.

4) A copy of Government Order No. G. 16077-9 Geol. 106-18-8 dated ~~20th July 1920~~ 16th Feby. 1921 has been sent to the Financial Department for information. According to this order, it is not now open to us " t o levy an additional royalty on the profits realised by the said Companies from investments made by them in or outside the State out of the profits of the Mines in the State". I don't think this statement correctly brings out the point discussed or t h e orders passed upon it. There is no question of -- additional royalty at all. Our right to 2½ per cent. of the dividends declared out of the profits made from investments in or outside the State i s uncontested. Please see clause 9 of the Lease, which gives us the right to ask for 2½ per cent. upon the amounts of all dividends from whatever ~~concerns~~ Source derived. As a matter of fact, profits from investments made by the Mining Companies in other concerns in or outside the State are included in the revenue accounts of the Kolar mines and we get our share of it calculated on the dividends declared. In such circumstances, it is not right, ~~therefore~~, to say that we have no right to any royalty on the profits realised by the Companies from investments made by them in or outside the State out of the profits of the Mines. The point raised by Dr. Smeeth ~~is~~ was altogether a different one. He proposed to investigate

NOTE—Contn. sheet.

G. R. S. 111-2]

General and Revenue Secretariat.

Gen'l File No. 106 of 1918.

Serial No.

investigate the question of our claim to a share of the profits of an outside concern built out of the profits of one of the Kolar Mining Companies after the termination of the lease with it and not during the continuance of the lease, during which period there is no doubt about the matter at all. It is this point which it was considered unnecessary to pursue. It seems to me that the order requires alteration to shew exactly what points were discussed and how it was decided.

Chief Secretary with compliments.

22.2.21

5) Subd. with the P.P.

24/2/21 6) A draft G.O. is put up on the lines indicated above. It may be sent to the Financial Secretary for remarks if any.

Chief Secy.) 25/2/21

7) 2/3/21

8) Financial Secretary) 11/3/21.

Fl. Secy.

9) I have no remarks to make. The draft orders are called for above. It would be better to cancel the previous orders and issue fresh ones.

Chief Secy.

NOTE—Contn. sheet.

WD A 1769—GPB—60,000—20-8-19

7158

G. R. S. III-21

General and Revenue Secretariat.

File No. 106

Serial No.

Submitted with reference to para 6 of the

11/3/21 (by Chief Secy.)

11/3/21.

Papers with reference to the Govt Secy's notes of 22-2-21 28-3-21.

(Mr Menon)

120 22/3

22/3

I don't think we need in such a case any formal G.O. a reminder.

Welcome. In a, the

Govt Secy should

Submitted with a draft.

Submitted.

It has been informally ascertained that the G.O. no. G 16077-9/ Pub 106-18-8 dt 16-2-1921 has been communicated to Messrs John Taylor and Sons. As per note of the Financial Secretary the order of sanction has to be cancelled expressly instead of merely recording the correspondence as ordered.

Submit for orders with a draft G.O. ... etc.

31/3/21 (by Chief Secy.)

1/4/21.

NOTE—Contn. sheet.

106/5/4

a G.O. appears necessary with above circumstances cancelling the sanction & recording the correspondence. Draft submitted

G. R. S. III-21

General and Revenue Secretariat. | Geol File No. 186 of 1918

Serial No.

Issue
dcg
11/4/21.

To The Comptroller to Govt:
" Director of Mines, Kolar
" Director dept of Geol

G. 19541-3 dt 14.4.21

Geol calls for & records the correspondence on the subject

Submitted with a draft returning the records received from the Geol. Dept

dt 18/4/21

Issue
dcg
18/4/21

To

The Director Department of Geology
Letter no Gl 20286 dt 27.4.1921

Returns the records received with letter from

The Director Department of Geology
Letter no 170 dt 25.4.1921

Requests that he may be furnished with a copy of the Financial Secretary's note referred to in the orders of the 16th instant (dl.9) to enable him to know the circumstances under which the previous order was cancelled and enquires whether the order has been communicated to Messrs Taylor &

NOTE—Contn. sheet.

10486

General and Revenue Secretariat. | File No. 106 of 1918-19

Serial No.

9. Send.

The previous order of 16-2-1921 (S1:8) has been communicated to Messrs John Taylor and Sons. The Director seeks instructions whether the later order of the 16th instant cancelling the previous order has also been communicated.

He further requests that a copy of the Financial Secretary's note which led to the cancellation of the previous order may be sent to enable him to know the circumstances for this cancellation.

27/4/21

~~Before~~ the requests may be complied with. The later order has also to be sent to Taylors.

Chief Secy.) 28/4/21.

The letter may also be communicated to John Taylor & Sons.

Re Financial Secy's note, perhaps the file might be returned to the Dir^r for perusal of the note

(W Meuks) 7/5/21

161 7/5/21

I understand that both the orders in regard to the cancellation addressed to John Taylor and Co in 16/2. Now one order alone is the one you wish cancelled

NOTE—Contn. sheet.

MKA

10486

[G. R. S. III-2]

General and Revenue Secretariat. | Genl File No. 106 of 1918-19

Serial No.

flag H.

Subd. Kindrefes is invited to d.g in the file containing the G.O. of 14th Apr.' 21 refd to above.

M.D. 9.5.21 Hly (1st Member)

9/5/21

186
9/8

Before any further action is taken on the letter of M/s Cancelly may we call up and the matter which was left unfinished in the earlier letter

14/5

Secretary

The file will, if approved, be forwarded to the Director for perusal of the above orders as well as the Financial Secretary's note.

Chief Secy.)

13/5

12/5/21

NOTE—Contn. sheet.

10486

G. R. S. III-21

General and Revenue Secretariat.

Geol File No. 106 of 1918.

Serial No.

U.O.No. 60-20 Geol. Br. 14-5-

Forwarded, with compliments, to the Director, Department of Geology for perusal & return,

By Order,

D. Subbarayappa.

13/5/21 For Chief Secy to Govt

Recd. today & Subd. to the Director

Recd 16.5.21.

No. 1876 with files Dt 30/5/21.

01603

GEN & REV. SEC. 31 MAY 1921

Returned with compliments to the Chief Secy to Govt after perusal

B. Jagannatha Rao
Director-in-charge
of Geology.
27.5.21
Chitaldrug camp

MINOR Depts. 31 MAY 1921

Submitted. May these papers be recorded now?

AHS 31-5-21.

Yes
31/5/21

CHIEF SECRETARIAT. IV MINOR Depts 31 MAY 1921

NOTE—Contn. sheet.

M. G. D. 12.

No. 1029
Geol: One

Dated, Bangalore, 13th Dec 1920

ENTRY NO: 6814

From

B. JAYA RAM, ESQUIRE, F.G.S.,
*Director, Mysore Geological Department.*

Section: Geol 106 18-5
File No:
Serial No:

To

3559

C. S. Balasundaram Iyer, Esquire, B.A.,
Chief Secretary to the Government of His Highness the Maharaja of Mysore.

MINOR Depts.
14 DEC 1920

Sir,

Adverting to Government Order No.G.1446-8/Geol.106-18-5, dated 20th July 1920, regarding the royalty payable to Government under the Kolar Gold Mining Leases held by certain Companies under the management of Messrs. John Taylor & Sons, London, in respect of the dividends declared by the Lessee Companies, I have the honour to state that in accordance with para 2 of the said Government Order I addressed Messrs. John Taylor & Sons of London, in terms of paras 19 to 23 of Dr, Smeeth's note, dated 7th July 1919 ~~received~~ read in the above Government Order. A copy of their reply, dated 21st October 1920, is submitted herewith for the information of Government. Messrs. John Taylor & Sons state that the leases of the mining Companies and also the Memorandum of Agreement of 21st December 1901 are most explicit in regard to the lessee Companies' liability to pay royalty to Government and that they only items payable are :-

1. royalty of 5 % on the net sale proceeds of ores
& 2. royalty of 2½ % on all dividends declared and paid to shareholders.

They

They are of opinion that the points raised by me in accordance with Dr. Smeeth's note cannot be considered as coming within the terms of the Companies' leases and they state that they can only deal with the enquiry in a hypothetical sense and that if desired the matter may be further discussed with Mr. Arthur Taylor who will be visiting the Kolar Gold Field in January 1921. I referred Messrs. John Taylor & Sons letter to Dr. Smeeth who states as follows:-

"The matter may be further discussed with Mr.Arthur Taylor when he arrives. So far as I can see Government in taking share of dividends share proportionately with other shareholders and I presume that any profits or interests in an outside Company would be divided amongst the shareholders in the event of liquidation of the Kolar Company."

I have the honour to be,

Sir,

Your most obedient servant,

B. Taylor Rao

Director,

Mysore Geological Department.

15

Letter, dated 21st October 1920, from Messrs. John Taylor & Sons, 6, Queen Street Place, London, E.C.4., to the Director, Mysore Geological Department.

In continuation of our last communication to you dated the 30th September, acknowledging your letter to us of the 2nd September on the subject of Royalty, we have now had an opportunity of considering the points submitted by you in this connection, and beg to reply as follows:-

The Companies' Leases, as also the Memorandum of Agreement under date of 21st December 1901, are most explicit concerning the liability for payment of Royalty to the Mysore Government.

The only liability being:-

1. To pay Royalty of 5% on the net sale proceeds of Ores.
2. To pay Royalty of 2½% upon the amount of all dividends declared and paid to the Shareholders.

The points raised by you cannot therefore be considered as coming within the terms of the Companies' Leases, consequently we find ourselves unable to deal with your enquiry other than in a hypothetical sense and this would be at this stage of little value, having regard to the remote possibilities suggested in your letter.

Mr. Arthur Taylor will be visiting the Kolar Gold Field in January next and would be available, should you desire, to further discuss the matter.

---

Copy.

for Director,
Mysore Geological Department.

G. R. S. VI—G/32]

17/12

SUBJECT

*Diary No. of letter replied to.*

**Section** Geol
**File No.** 106-18
**Serial No** 6

General and Revenue Secretariat
( )
, *the* *191* .

Date of issue 18/12

Signed by M Dey

No. G1203/

To The Director, Dept of Geology

Sir,

In connection with your letter No. 1029 dated Dec. 1920, I am directed to request that the marginally noted files

(1) file of papers containing memos & notes regarding the rate and mode of levying royalty on gold produced by the K[illegible] companies which finally resulted in the memorandum of Agreement of 21[illegible] December 1901 and (2) file no 218 of 1903-04 ending with correspondence [illegible] to Govt order no 1724-6 dt 5-2-19[illegible]

kindly be forwarded for reference very early date. The files will

over.

18

7158 M. G. D. 12.

No. 1082 Encs: 2 files.

Dated, Bangalore, 22/12/1920.

Geol. 106-18-7

From

B. JAYA RAM, ESQUIRE, F.G.S.,
*Director, Mysore Geological Department.*

To

C. S. Balasundaram Iyer, Esquire, B.A.,
Chief Secretary to the Government of His Highness the Maharaja of Mysore.

Sir,

In compliance with your letter No.G.12031 Geol. 106-18-6, dated 18th December 1920, I have the honour to forward herewith marginally noted files and to request that they ~~be~~ may kindly be returned to this office when done with.

1903-04 File of papers containing Memos and notes regarding the rate & mode of levying royalty on gold produced by the Kolar Companies which resulted in the Memorandum of Agreement of 21.12.1901.

1903-04. Papers leading to the issue of G.O. No.724-6, dated 5th February 1910.

I have the honour to be,

Sir,

Your most obedient servant,

B. Jaya Ram

Director,

Mysore Geological Department.

J.R.

G.R.S. VI–71]

SUBJECT.....

.....

.....

*Diary No. of letter replied to*.....

General and Revenue Secretariat

( )

, *the* 191 .

Date of issue 16/2/Y

Signed by M' Des

**Section** Geol

**File No.** 106-18

**Serial No.** 8

*Proceedings of the Government of*
*His Highness the Maharaja of Mysore.*

*Read*—

Paragraph 2 of Govt order no G 1446-8/Geol 106-18-4 dt 20-7-20 approving ~~the proposal of~~ Mr Sinclair regarding the levy of a royalty (@ 2½ p.c.) on profits realised by Mining companies in Mysore from investments made by them in or outside the State out of the profits of the Mines in the State and requesting the Director, Dept of Geology to make enquiries in regard to such investments and submit a detailed report in the matter.

2. Correspondence ending with letter no 1082 dt 22-12-20 from the Director, Dept of Geology

~~Order Thereon—No~~

Stating that Messrs John Taylor & Sons who were consulted in the matter were of opinion that the Mining companies in Mysore were not liable to the payment of any additional royalty as proposed as no such investments as those referred to above have been made by them so far and that the original Memorandum of Agreement contains no provision for the payment

May this be

i Printed ?

ii treated as a standing order ?

ii published in the Gazette, English Part ? (No)

iv translated ?

v placed at the disposal of the press ?

vi published in the Gazette Kannada Part ?

20

of any such additional royalty

Order no

On further
~~After a careful~~ consideration, ~~of~~
Govt. have come to the conclusion
~~the matter, Govt are of opinion~~ that
in the absence of a specific provision
in the leases of the Mining companies
as well as in the Memorandum of
Agreement, it is not open to them now
to levy an additional royalty on the
profits realised by the said companies
from investments made by them in or
outside the State out of the profits
of the Mines in the State. They are
accordingly pleased to order that the
matter need not be pursued further,
as no useful purpose is likely to be
served thereby.

para 11 to 20 of letter.

No. 17

DCS
19-2-21.
Forwarded for information

To The Comptroller, Tolgovt
The Director of Mines & Geology
The Director, Hyderabad Geology
Copy to the Financial Secretariat.

*List of enclosures.*

*Copied by*

*Examined by*

WD 1744—GPB—30,000—17-3-19

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

*Diary No. of letter replied to*

General and Revenue Secretariat

( )

*, the* *191*

Date of issue 27/4

Signed by

Section GOL

File No. 106-21

Serial No.

No. Gazetted Memos

To

The Director, Department of [illegible]

Sir,

As requested in your letter no. 1082 dt 22.12.1920, I am directed to return herewith the files noted below:

1. 218/03-04 - File of papers relating to the rate and mode of levying royalty on gold produced by the Kolar companies which resulted in the Memorandum of g 21.12.1901

2. 218 B/03-04 Papers relating to [illegible] vide g.o. no 1724-6 dt [illegible]

I have the honour to be,

Sir,

Your most obedient servant,

[illegible]

18/4/21

[illegible]

R.S. VI-71] 14/4

SUBJECT.....

.....

.....

*Diary No. of letter replied to* 1158

General and Revenue Secretariat

( )

, *the* 191 .

Date of issue 14/4

Signed by

May this be

i Printed ?

ii treated as a standing order ?

ii published in the Gazette, English Part ?

iv translated ?

v placed at the disposal of the press ?

vi published in the Gazette Kannada Part ?

Section Genl.

File No. 106-18

Serial No. 9

*Proceedings of the Government of His Highness the Maharaja of* **Mysore.**

*Read*—

G.O. no G 16077-9/Genl 106-18-8 dt 16th February 1921 directing that the question of the levy of an additional Royalty of 2½ % on profits realised by mining Companies in Mysore from investments made by them in or outside the State out of the profits of the Mines in the State need not be pursued further.

2. Unofficial note dt 8th march 1921 from the Financial Secretary to Govt. suggesting modifications in the Order Thereon No. order read above

order G 9574/3

Under the circumstances ~~brought to~~ explained ~~light~~ by the Financial Secretary the G.O of the 16th February 1921, read above is cancelled and the Correspondence is recorded.

14/4/21

20

Copy to Secy

The Comptroller to Govt
& Director of Mines & Geology
& Secretary to Government Department of Revenue.

10486

M. G. D. 12.

No. 1704

Section:
Dated, Bangalore, 18th April 1921.
File No:
Serial No:

From

B. JAYA RAM, Esquire, F.G.S.,
*Director, Mysore Geological Department.*

To

K. Matthan, Esq., B.A.,
Offg.Chief Secretary to the Government of
H.H. the Maharaja of Mysore, Bangalore.

IOR Depts. 18 APR 1921

Sir,

With reference to Government Order No.G.19541-3/Geol.106-18-9, dated the 14th April 1921, regarding the question of the levy of an additional royalty of 2½% on profits relaised by certain Gold Mining Companies in Mysore from investments made by them out of the profits of the Mines in the State, I have the honor to request the favour of being furnished with a copy of the Financial Secretary's Note, dated 8th March 1921, therein referred to, to enable me to know the circumstances which led to the cancellation of the Government Order of the 16th February 1921 on the subject.

2. The Government Order of the 16th February 1921 was duly communicated by me to Messrs. John Taylor & Sons in my letter No.1503, dated 12th March 1921, a copy of which is enclosed herein for your kind perusal. I do not know if the Order of 14th April 1921, now under reference, has also to be communicated to them and I shall be glad to have instructions from Government on this point.

I have the honor to be,
Sir,
Your most obedient servant,

B. Jaya Ram

Director,
Mysore Geological Department.

cvv

Letter No.1503, dated 12th March 1921, from the Director, Mysore Geological Department, Bangalore, to Messrs. John Taylor & Sons, London.

I have the honor to acknowledge the receipt of your letter, dated 21st October 1920, regarding the question of the levy of royalty on profits realised by Gold Mining Companies in Mysore from investments made by them in or outside the State out of the profits of the Mines in the State, and to state that a copy of the same was submitted to the Government of His Highness the Maharaja of Mysore for information and orders.

2. On further consideration, Government have come to the conclusion that, in the absence of a specific provision in the leases of the Mining Companies as well as in the Memorandum of Agreement, it is not open to them to levy an additionaly royalt of the kind mentioned above and they are accordingly pleased to order that the matter need not be pursued further.

---

"Copy"

B. Foy[illegible] Rao

Director,
Mysore Geological Department.